

**Light Touch Land Allocation Viability Appraisal – Policy SHUA2 - Little Park Farm Employment Allocation**

Winchester City Council's Estates team has been asked by the Strategic Planning Policy team to provide a high-level, light touch viability appraisal of various sites to be included in the Winchester District Local Plan Part 2. The assessments are for internal purposes, intended to inform planning policy decisions and do not form part of a site specific planning application, neither are they to be used for negotiation due to the broad nature of the assessments and the general assumptions which have been used.

This is not a formal market valuation as prescribed by the RICS Valuation – Professional Standards (Red Book) but regard has been taken to the RICS Guidance Note "Financial Viability in Planning" published in 2012.

**DEVELOPMENT ASSUMPTIONS**

The following development assumptions have been used.

- Indicative of Viability only, more robust assessment necessary for specific schemes.
- Desk top assessment undertaken.
- No site layouts drawn up.
- No alternative use values have been considered.
- Assume mixed scheme for 7742 sq m of Industrial B1, B2 and B8 including first floor accommodation.
- Assume the site is developed speculatively to be let and sold as an investment
- Assume slow take up of industrial unit.
- Assume that planning policy exists as proposed and planning permission in place
- Finance has been assessed at 6% on an all-inclusive basis including set up fees, applied to 100% of construction costs over a period that includes site set up and build and sales period appropriate to the development.
- No account taken of abnormal costs not evident from the limited information available, including any possible ransom situations.
- No indication of the costs of complying with site specific planning obligations.
- No costs included for contamination, environmental or wildlife issues.

**SITE SPECIFIC DEVELOPMENT POLICIES**

- The development is to be within Use Classes B1 (Business), B2 (General Industrial) or B8 (storage)
- It is developed comprehensively with land to the west in Fareham Borough, including the provision of suitable access

## Site Appraisal

The site is to be developed in conjunction with the adjoining site in Fareham BC's district. Assume no ransom situation.

1.29 hectares - 7742 sq m of B1, B2 and B8

BCIS Median Build Cost – Industrial £588 psm

GDV £86psm rent @ 6.5% (£1,190 psm capital value after allowance for rent free period)

9 months' rent free

## Residual appraisal

£860,000

## Existing use value

Estimated from aerial photographs and scaling from GIS map. Based on use as open space and pasture = £64,000

## Viability comments

There is a positive uplift from existing use value as a result of the proposed policy and represents an incentive for the site to be brought forward for development. However, the current unknown costs for the site specific planning policy requirements, site servicing and ground conditions may erode this significantly.

## Prepared by

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Signed



Date

14/8/15